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RUEATRS/DEPT OF TREASURY WASHINGTON DC
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RUEHBO/AMEMBASSY BOGOTA
RUEHBR/AMEMBASSY BRASILIA
RUEHBU/AMEMBASSY BUENOS AIRES
RUEHCV/AMEMBASSY CARACAS
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SUBJECT: Embassy Santiago Jan. 27 Media Report

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Lead Story

¶1. 310 Chileans are waiting to be evacuated near the Machu Picchu ruins in Peru, where bad weather left them in isolation with no food or water (All dailies, 1/27).

Haiti

2 Chilean Ambassador to Haiti, Marcel Young, has been in Port-au-Prince six years. He has lived through President Aristide's exile, the arrival of Chilean troops amid chaos, the 2005 election, and three hurricanes. Asked about the arrival of the U.S. contingent, Young said: "The arrival of their troops has been imposing. Although what they have done to re-establish air traffic is positive. . . in terms of military presence the demonstration of force has been excessive. I believe in showing the necessary force and in showing respect for the local authorities, but that is not what we are seeing. They forget that this is a sovereign country and have been unnecessarily aggressive. They took control of the international airport and word is that they have deflected four flights carrying medical and humanitarian assistance. . . They set their own criteria and land their planes. (Concern for) Everyone else comes after that" (Conservative, influential el Mercurio, 1/27).

3 UNICEF has warned of children disappearing from hospitals, prompting local authorities to tighten controls in hospitals and along the border with the Dominican Republic. The concern is that children are being taken out of the country for adoption without having exhausted the efforts to locate their families. Sabas Burgos, formerly in charge of immigration along the border with Dominican Republic, said that criminal organizations that have operated in Haiti for a long time are taking advantage of the confusion to increase trafficking in children (El Mercurio, 1/27).

4 The confusion in Haiti is encouraging the trafficking in children, which has been taking place in Haiti for years. In light

of denouncements that children have disappeared from hospitals, UNICEF has called on the international community to stop massive and express adoptions to prevent the separation of families who, due to poverty, had placed their children in orphanages. But in spite of UNICEF's call, countries such as the United States, France, and Canada have continued with adoption procedures (Government-owned, La Nacion, 1/27).

5 OAS Secretary General Jose Miguel Insulza visited the most devastated areas of Port-au-Prince yesterday and will meet today with President Rene Preval (El Mercurio, 1/27).

Chile-U.S. Taxation Agreement

¶6. President Bachelet led in La Moneda the subscription of an agreement to avoid double taxation with the United States and Australia. The treaty must yet be ratified by Congress. The agreement is expected to have a significant impact in the mining and services sectors because of the large presence of U.S. and Australian companies in those areas (El Mercurio, 1/27).

¶7. After a long negotiation process that included lifting the banking secrecy, Chile will sign a tax agreement to avoid double taxation with the United States and Australia. The government and the private sector anticipate a greater flow of investment as a result of the agreement (Conservative, independent La Tercera, 1/27).

¶8. President Bachelet said the tax agreements with the United States and Australia would "boost investment, create new sources for growth, and create more jobs" (Business, financial Estrategia, 1/17).

Local

¶9. Defense Minister Francisco Vidal and Air Force Commander-in-Chief Ricardo Ortega announced yesterday's Chile's purchase of eighteen used F16s from Holland, 12 Brazilian training airplanes, three KC135 transportation aircraft, and 12 Bell 412 helicopters, all of which will start arriving on February 18. Vidal said this will transform Chile's air force into an important force in Latin America. Ortega on his part said, "All those who are looking at us know that we have the capability to strike back with force. This means that it is best that we are left alone" (El Mercurio, 1/27).

Venezuela and TV Chile

¶10. TVN said yesterday that Venezuela's National Telecommunications Committee (Conatel) had accepted the documents submitted by the station to register as an international producer. TVN said the Venezuelan cable operators that carry its international signal have all been informed of the committee's decision and therefore expected Caracas to lift the suspension of its signal soon. However, Conatel Director Diosdado Cabello said that Venezuela should demand "reciprocity" with regard to these signals. "Why doesn't the United States allow Telesur to air in its country? Who censors who? . . . Why is it that Telesur can only be seen on Direct TV in Chile and not in other cable operators? . . . We should ask for reciprocity. You want to be seen here? Then let us air where you are," said Cabello (El Mercurio, 1/27).

¶11. Editorial: "Obama Besieged": " . . . Obama is well aware of the discouragement among citizens, but many say that he has not fully weighted the message or the magnitude of the consequences of

this discouragement . . . Obama has important merits, such as the timely intervention to confront the global financial crisis and the recession in the United States, and most importantly the change of the image of the United State abroad. But part of Obama's problems stem from the vices of U.S. democracy: lobbyism, populism, conflicts of interests, and other parliamentary abuses. The concrete issue, however, is that polls indicate that unless there is a change in the way he governs and in the depth of his decisions, Obama will not be re-elected and is risking the congressional majority and several Democratic Party governors' seats . . . The repercussions are important for the world, because it is not good news for the quality of the leadership of the world's major power to be questioned" (El Mercuric, 1/27).

URBAN